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3 October 1952

MEMORANDUM FOR: SPECIAL ASSISTANT FOR PLANS AND PROGRAMS

SUBJECT: Review of National Policies and their Adequacy  
to Support the Clandestine Effort

REFERENCE:

1. The following comments are restricted to Section I of the referenced memorandum. It is our hope that these thoughts may be sufficiently broad to include or cover the proposals made by the respective Area Divisions.

2. In respect of the subject, it is suggested that it be re-stated inasmuch as the adequacy of national policy should not be assayed on the basis of supporting the clandestine effort. On the contrary, the clandestine effort is designed only to support the national policy. The pertinent point in this matter is that policy be adequately defined so that clandestine support can be effectively rendered.

3. Generally, operations pertaining to covert economic warfare functions have not been restricted by any lack of national policy or operational guidance. They have, however, been limited by other factors. With this in mind, there follow some brief recommendations which aim to clarify the national policies and make more effective covert support of them.

a. NSC Policies:

(1) An unequivocal and definitive statement of U. S. foreign economic policies. For example, it is not clear whether the U. S. favors trade in peaceful goods with the Orbit or whether it would place an embargo on shipments of all kinds.

(2) A delineation of that part of the foreign economic policy which is the concern of economic warfare.

b. Inter-Agency Policy:

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b. Inter-Agency Policy:

*Inc*  
A clear-cut assignment of the responsibilities for economic warfare to one agency. While MDAC has the responsibility for the general denial program, it is apparent that Treasury has other specific responsibilities under certain laws which are not supervised by MDAC. Furthermore, there are concepts of economic warfare other than denial, for example, U. S. positive programs for economic strength. These also should be the responsibility of this "Economic Warfare Agency."

c. Internal Agency Policies:

*Inc*  
A definitive statement should be made to the covert operational elements of CIA calling to their attention their responsibility for conducting covert economic warfare. It is apparent that these elements due to other functional priorities have been in many cases unwilling to accept the economic warfare duties which they are required to undertake in accordance with the Strategic Plan.

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Chief, Economic Division

DC/ECD/GWS:ml

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